that the contract was made with an implied reservation in favor of the proper exercise by the state of its police power. *Sioux City Street Ry. v. Sioux City* (1891) 138 U. S. 98, 11 Sup. Ct. 226. *Cf. In re Searsport Water Co.* (1919, Me.) 108 Atl. 452. The state may on that ground annul contracts between a public utility and its patron where the contract rate has become unreasonable. *Union Dry Goods Co. v. Georgia Public Service Corporation* (1919) 248 U. S. 372, 39 Sup. Ct. 117. And the public utility has been allowed in such case to refuse performance on its own initiative. *V. & S. Bottle Co. v. Mountain Gas Co.* (1918) 261 Pa. 523, 104 Atl. 667. But if the utility is to be considered to have contracted regarding its rates, it would seem the contract duty should be binding until the state has acted. *Manitowoc v. Manitowoc & Northern Traction Co.* (1911) 145 Wis. 13, 129 N. W. 925. The decision in the principal case is clearly sound on either of the two grounds.

CONTRACTS—THIRD PARTY BENEFICIARY—MATERIALMEN'S BONDS.—A state statute required contractors with municipalities to execute a bond for the payment of all subcontractors and materialmen. The contractor demanded a bond from his subcontractor, which was issued with the defendant company as surety, reciting that it was as provided by the above statute and was for the benefit of materialmen and others. The plaintiff furnished materials to the subcontractor for which it was never paid. It then sued the defendant surety who contended that the plaintiff should not recover because it was not a subcontractor. *Held,* that the plaintiff should not recover. *Carolina Portland Cement Co. v. Carey & Boettner* (1919, La.) 82 So. 887.

The court held that the bond was not required by the above mentioned statute, and that hence the question was one of construction of a common law bond. By the Code of Louisiana a third party beneficiary to a contract can recover. Civil Code of La. Art. 1902. And the trend of authority seems to favor recovery by materialmen on such bonds. *Cf. Builders Lumber & Supply Co. v. Chicago Bonding & Surety Co.* (1918) 167 Wis. 167, 166 N. W. 320; *cf. Allen & Currey Mfg. Co. v. Shreveport Waterworks Co.* (1905) 113 La. 1091, 37 So. 980; see also COMMENT (1919) 28 YALE LAW JOURNAL, 798. But the court in the instant case reasoned that the bond must be construed *strictissimi juris,* and that since it referred to the statute, the intention was that the plaintiff should not be protected by it. It seems well settled, however, that this rule does not apply to bonds written by surety and insurance companies. Their bonds, like contracts of insurance, are to be construed against them. *United States v. Lynch* (1912, D. Del.) 192 Fed. 364; *American Surety Co. v. Pauly* (1898) 170 U. S. 133, 18 Sup. Ct. 552; see COMMENT (1917) 26 YALE LAW JOURNAL, 320; (1918) 28 *ibid.,* 193. And in view of the fact that the bond expressly bound the defendant in favor of "all subcontractors under said subcontractors" and of "furnishers of materials," it would seem to include the plaintiff in its terms. Hence the plaintiff should have been allowed to recover as third party beneficiary. The mention of the statute in the bond only tends to show that the parties thought they were legally bound to make the bond. That they had misinterpreted the statute would seem to be an insufficient reason for overriding the express terms of the bond as against one who thereafter furnished materials to the principal.

DAMAGES—DECLINE IN VALUE OF STOCK DURING LITIGATION.—The plaintiff sued the defendant to set aside a sale of bank stock as fraudulently made to defeat execution on their judgment against the transferor. During the litigation the stock declined in value. The transfer was set aside and the proceeds from the sheriff's sale were less than they would have been had the stock been sold at the beginning of the suit. The plaintiff then brought this action to recover